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State of Utah
Department of
Natural Resources

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Executive Director

Division of
Oil, Gas & Mining

MARY ANN WRIGHT
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Governor

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Lieutenant Governor

January 24, 2005

Alex Boulton
Brush Resources, Inc.
P.O. Box 815
Delta, Utah 84624

Subject: Bond Cancellation Rescinded, Brush Resources, Inc., Hogsback Mine,
M/023/053, Juab County, Utah

Dear Mr. Boulton:

On November 17, 2004, we received notification from Travelers Casualty and Surety Company that they were canceling your bond for the Hogsback Mine for nonpayment of premium. The cancellation was to be effective February 21, 2005. On November 18, 2004, we notified your company and was informed that you were working to replace the existing surety, and provide a rider to reduce the amount from \$47,600 to \$7,700.

Today, we received another letter from Travelers Casualty and Surety stating the bond cancellation notice, effective 2/21/05 is rescinded. The letter stated the policy holder was Brush Engineered Materials, Inc., dba Brush Resources, Inc. If you have changed company names, please inform us officially in writing. If there is merely a name change and if the officers remain the same as Brush Resources, Inc., no other change in the surety forms will be necessary. However, if the officers have changed, then a transfer of the mine permit will be necessary. A change in the surety forms and Reclamation Contract would be required to accompany the transfer document.

Thank you for taking care of the surety so action was not necessary to start forfeiture proceedings. Please inform us of the company status, and if you are planning on reducing the surety to \$7,700 as was authorized in August 2004.

Sincerely,

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb

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